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REMARKS

Applicant concurrently files herewith a petition and fee for a three-month extension of time pursuant to 37 CFR 1.136(a). The present amendment is prepared in accordance with the requirements of 37 CFR 1.121.

Applicants appreciate the thoroughness with which the Examiner has examined the above-identified application. Reconsideration is requested in view of the amendments above and the remarks below.

Claims 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 and 28 were previously canceled by the Applicant, claims 14 and 29 were canceled, pursuant to an Examiner's Amendment (see Final Office Action mailed August 31, 2006) made after a telephone communication with the undersigned counsel. Independent claims 1 and 16, have been previously presented and are unchanged, and dependent claims 31 and 32 are presently being cancelled.

No new matter has been added.

CLAIM REJECTIONS - 35 USC '112

The Examiner has rejected claims 31 and 32 UNDER 35 USC 112, as claiming subject matter that was not disclosed in the original application. The original application did disclose, on the non-permanent magnet carrying rotor, the use of ferrous, magnetically permeable materials, but did not disclose reliance on, or a requirement that said materials have any residual magnetism, and therefore not ferromagnetic materials (ferromagnetic materials by definition

must be **both** magnetically permeable <u>and</u> have residual magnetism properties). Claims 31 and 32 cite a specifically machined 304 Stainless that meet this originally disclosed material total criteria. However, in order to simplify examination, and without disclaiming any part of the invention, the applicant has decided to cancel these two aforesaid dependent claims, number 31 and 32.

These aforementioned changes to the claims and specification have addressed the Examiner's above listed 35 USC 112 rejections of Claims 31 and 32.

CLAIM REJECTIONS – 35 USC '103(a)

The Examiner has rejected Claims 1 and 16, as being unpatentable over the combination of WOOD (US 2,437,871) AND PUCHY (US 2,386,505) because the subject invention would have been obvious, when taking WOOD and PUCHY in combination, to one skilled in the art. The applicant herein respectfully traverses the Examiner's position on this issue. WOOD'S claim number 1 "... permanent magnets of the bar type carried by each of said annular portions...", and therefore requires that **BOTH** rotary members or rotors, have permanent magnets on them. This is further illustrated in WOOD's Fig. 1, part # 17 (magnet on outer rotor #1) and part #18 (magnet on inner rotor #3). The present invention does not have this required element or limitation. Therefore, since WOOD does not have each and every limitation or element to the subject claimed invention, WOOD does not anticipate the subject invention and therefore the subject invention is novel over WOOD. The present invention having permanent magnets on only one of the two rotating rotors is unique, was in the original application disclosure.

The Examiner states that, "PUCHY shows one of the rotary members having electro-1. conductive elements and magnetically permeable materials neither of which are ferromagnetic...". Figure 2 in PUCHY illustrates that the rotor made up of part numbers 26 and 30, is a "magnetic" stainless steel (i.e. by definition having residual magnetism), as is called by the inventor the "magnetic-follower". This part number 26 is, in fact therefore, "ferromagnetic", since, by definition (see exhibits in applicant's last RCE submission request) a ferromagnetic material must have both "iron" and "residual magnetism". So PUCHY's ferromagnetic residually magnetized pole No. 30 magnetically "follows", due to its residual magnetism, PUCHY's permanent magnet driving rotor pole No. 48. Further, PUCHY does not disclose "electr-conductive" elements on his rotor no. 26; rather said rotor is pre-magnetized by virtue of its residual magnetism. PUCHY has a permanent magnet rotor made up of part numbers 46 and 48. PUCHY has an additional stationary/non-rotating thin cylinder of non-magnetic stainless steel (Part No. 36) inserted in the annulus between the two rotary members. The applicant herein does not disclose such an insert between the two rotating members. Therefore, PUCHY does not have, as stated in the subject non-final office action, "electro-conductive elements...neither of which are ferromagnetic"; to the contrary, part No. 26 is, in fact, by definition, "ferromagnetic", and is not an electro-conductive element; rather it is a residually magnetized element. Therefore, considering the current application as a whole when compared to WOOD AND PUCHY, the subject invention would not have been obvious to one skilled in the art at the time of the filing of the subject application. None of the other previously cited prior art suggests or teaches to the use of permanent magnets

on only one of two rotors, and the non-permanent magnet rotor having electro-conductive elements and magnetically permeable elements that are not ferromagnetic. In fact, said cited prior art, whether alone or in combination, when compared to the Applicant's invention, specifically does not suggest, and specifically does teach away from, the Applicant's invention. As stated by the Court of Appeals for the Federal Circuit: "Further, in combining the elements selected from different references, the references must be considered as a whole, including any disclosures in them that teach away from the combination claimed by the inventor in his patent", W.L. Gore & Assocs. V. Garlock, Inc., 721 F.2d 1540 (Fed. Cir. 1989). Considering the plethora of prior art cited by the examiner in all prior office actions in the prosecution of this patent, no evidence has been presented to show that persons skilled in the art have, or would, combine said plethora of art, to arrive at the current applicant's clear non-obvious inventive step, that is set forth in the current applications' claim numbers 1 and 16. Given the decades of the electromagnetic arts, no one has put forth this combination. It is novel and non-obvious, and patentable. This is also supported using the 35 USC Sect. 103 analysis set forth in the recent US Supreme Court decision in KSR International, Inc. v Teleflex, et al., No. 04-1350.

In paragraph 7 of the subject non-final office action, the Examiner has further rejected Claims 31 and 32, as being unpatentable over the combination of WOOD (US 2,437,871) and PUCHY (US 2,386,505) further in view of BRENNAN (US 4,873,461) because the subject invention would have been obvious, when taking WOOD and PUCHY in

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combination, further in view of BRENNAN, to one skilled in the art. The applicant herein respectfully traverses the Examiner's position on this issue, for the reasons and arguments stated above concerning claims 1 and 16. However, since the applicant has now cancelled claims 31 and 32 in the 35 USC 112 section above, arguments on this issue specifically concerning claims 31 and 32 are moot.

IV. CONCLUSION

Attached hereto is the previously presented claims 1 and 16, with claims 31 and 32 cancelled. No new matter has been added.

In view of the foregoing arguments, it is respectfully submitted that the application has now been brought into a condition where allowance of the case is proper, and issuance of a Notice of Allowance is requested. Reconsideration is hereby respectfully requested, based on the clarification of what the Applicant considers its invention discussed above, and the related arguments herein.

Should the Examiner find the application to be other than in condition for allowance, Applicant's Attorney respectfully requests that the Examiner call the undersigned to clarify any issue.